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SUSTAINABLE DEVELOPMENT AND INTERNATIONAL ECONOMIC
COOPERATION: INTEGRATION OF THE ECONOMIES IN
TRANSITION INTO THE WORLD ECONOMY

Note verbale dated 10 July 1998 from the Permanent Mission
of Turkmenistan to the United Nations addressed to the
Secretary-General

The Permanent Representative of Turkmenistan to the United Nations presents her compliments to the Secretary-General of the United Nations and has the honour to kindly request that the enclosed article by the President of Turkmenistan H.E. Mr. Saparmurat A. Niyazov be published as an official document of the fifty-third session of the United Nations General Assembly under preliminary agenda item number 96 (b).

The Permanent Representative of Turkmenistan to the United Nations avails herself of this opportunity to renew to the Secretary-General of the United Nations the assurances of her highest consideration.

* A/53/150.



ANNEX

[Original: Russian]

Turkmenistan meets the twenty-first century
with hope and faith in itself and mankind

Humanism and practicality are important in relations between States. Regardless of the events that have marked this waning century, the change from one century to another is in itself a very significant historical fact, accompanied by profound transformations in all areas of human existence. Our consciousness, which has been "afflicted" with the future but has not "recovered" from the past, is not unaffected by this.

We all wish to live better tomorrow than yesterday. But, as we know, there are no guaranteed formulas for happiness and prosperity. There is experience, the difficult path of trial and error, and this experience must be internalized so that the forthcoming journey will be both smoother and shorter, leading, first of all, to peace. All the rest, as they say, will come.

THE LESSONS OF HISTORY THROUGH THE PRISM OF THE DAY

The collapse of the Soviet Union had become a historical inevitability. It had been predestined both politically and economically. The downfall of the last empire, which had been postponed for seven decades, in spite of enormous complexities on the whole transpired relatively calmly and in a civilized manner. History, it seems to me, chose the best time for that process, when a situation had arisen in the world making the threat of force and blatant disregard for international law impossible. This was a rare possibility for freely and rationally making use of one's right to self-determination and pursuing one's national interests within the framework of civilized international relations. Today, we are fully justified in stating that Turkmenistan succeeded in utilizing that opportunity.

Very often in world public opinion there is an attempt to portray Turkmenistan as a country whose aspirations and plans to establish a prosperous State are linked exclusively to its very rich natural resources and raw materials. Indeed, our land is very generously endowed with hydrocarbon resources, but one should not think that Turkmenistan intends to acquire wealth only by actively trading in its natural resources.

When we recently met with the President of the United States, Bill Clinton, he told me that Turkmenistan had an excellent chance not to repeat the mistakes made by certain countries that are rich in oil and gas but relied solely on selling resources, without creating the necessary infrastructure for ensuring a dignified life for future generations. Indeed, we are not simply orienting our policies towards a diversified economy, we are actually creating it - a varied economy based on high-level technologies and the principles of self-development.

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We have learned the lessons of the former Soviet Union very well in this regard. While, for example, in recent Soviet years only 3 per cent of the cotton grown in Turkmenistan was processed in the Republic, today, after approximately \$4 billion was invested in setting up a textile industry, the volume of cotton processing within the country has increased tenfold. New production systems are also being speedily created in other sectors of the processing industry, above all in the area of oil and gas. This year, Turkmenistan is already approaching self-sufficiency in grain and we are expecting a record harvest. In full accordance with the long-term industrial-infrastructure development strategy, the production of sugar has begun, and capacities for water purification and the manufacture of mineral fertilizers and so forth have been established.

But, above all, within the State we have been able to achieve social concord, harmony among national groups and denominations, and trust on the part of the people in the authorities. The fact that we were able practically to avert an economic slump during the collapse of the internal economic links of the former Soviet State also played an important role. Reforming the economy, we moved forward consistently and gradually, which made it possible to avoid many negative consequences, and, above all, maintain strong social protection for the needy sectors of the population. This was done in a manner that is unparalleled in the world, including the free supply to citizens of electrical energy, gas and water and the practically free provision of food to low-income families.

I should like to state frankly that these steps that we have taken have not met with understanding and support everywhere in the world. It is considered that such an approach is detrimental to market principles. I have often told our opponents in this regard that any principle is good as long as it does not turn into its opposite. While principles are principles, there is life itself and its logic does not always and in all respects conform to this or that principle. I ask these opponents of mine this question: "What has the current generation of people done wrong vis-à-vis history, why should they be punished more than they have already been?" I believe, therefore, that human existence should not be approached solely from the criterion of the market. The market will gain ground anyway - mankind has no alternative; but there is, there must be an alternative in choosing the ways to establish a market economy. We selected our own path and already today we see how the mentality of our people is changing, for whom the choice of the market, dictated not only by living conditions but also by one's own possibilities, is becoming natural and organic.

We proceeded on the basis that the transitional period should take a certain amount of time (we determined that it would take 10 years). This period is necessary for society to adapt socially and psychologically to the new conditions inherent in the market economy. At the present time, commercial and industrial enterprises are being rapidly privatized; consumer services are being fully transferred to private ownership; land is being leased or transferred as private property to small farmers; and the equality of all forms of ownership has been guaranteed in practice. The national currency - the manat - has been stabilized. Statistics indicate a steady growth in production, with the fastest rates of increase in the private sector. All this gives grounds for confidence in the State's favourable economic prospects.

I am convinced that the projects that we have undertaken and are conducting with the participation of leading world companies will enable us, making maximum use of our policy's openness, to attain, by 2020, the level of those States which, like Turkmenistan but only considerably earlier than us, started to establish market mechanisms on the basis of their national priorities.

Nevertheless, still with regard to the question of priorities, that is, the global priorities that are being shaped by new historical realities, I should like once again to underscore the question of peace and achieving it in order to carry out domestic development tasks. Although this determinacy has always been part of mankind's philosophical experience, today, it has moved from the philosophical category predicated on a cause and effect nexus to a practical category because peace and the way to achieve it have become a real, attainable means of progress - at both the domestic, national level as well as the worldwide level.

OUR NEUTRALITY IS A COMPASS FOR FINDING PEACE IN THE REGION

A State's foreign policy plays a major role in ensuring domestic prosperity. Having achieved the internationally recognized status of permanent neutrality, we, first of all, attained favourable conditions for pursuing our national interests. Furthermore, Turkmen neutrality is not a wall protecting us from the dangers and troubles of the outer world. On the contrary, it is a strong position for actively influencing the situation in the region and, in general, in the world in order to establish effective international cooperation, which, in the contemporary world, is one of the main factors for domestic economic development. We are endeavouring to have tranquil and equal relations with all peoples; and our national interest is pursued through economic openness and political tolerance.

The recognition of our country's status as a permanently neutral State has noticeably expedited the "open door" policy that we have conducted from the first days immediately after obtaining independence. In addition to Turkmenistan's rich hydrocarbon deposits and geopolitical position, foreign investors are today also being attracted by the country's legislative basis, which was strengthened by additional guarantees through the adoption of a constitutional law on permanent neutrality.

It is not by chance that I am mentioning this today. In my view, as yet not everyone has realized that Turkmen neutrality is not merely our response to the challenge of the age and is not solely a unique instrument in efforts to prevent our country from becoming another "apple of discord" on the map of the world, if one has in mind its inexhaustible resources and the resulting natural strategic interest in us on the part of the great Powers. Turkmen neutrality, and I constantly repeat this without false modesty, is the property of the entire region and the entire world community. This aspect is becoming increasingly important now at a time when the confrontational model based on a balance of force in the world is clearly giving way to the contemporary regionalization of international relations, in which the general direction of the political process is determined by the state of equilibrium in the political system of global ties.

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Even the two and a half years that have passed since the historic, in our view, adoption by the General Assembly of the resolution on the permanent neutrality of Turkmenistan, have convincingly confirmed that our neutral status is in keeping with the general interests of our neighbours because it is opening up broad prospects for developing mutually beneficial cooperation in the region, stabilizing the situation and creating a climate of mutual respect and trust.

Many regional political leaders have spoken words that are pleasant for every Turkmen to the effect that our neutrality represents for our neighbours a unique compass for achieving peace, harmony and stability. We are endeavouring to confirm this assessment through daily work in complying with the obligations placed on us in connection with the recognition of the status of a permanently neutral State. Turkmenistan's peacemaking potential today is being actively used by the United Nations. Today we have created all the conditions for holding bilateral and multilateral negotiations in order to settle and resolve disputes that arise, establish friendly contacts and promote cooperation within the framework of major international forums. This involves not only the technical and purely organizational side, since it is extremely important for the country that organizes such meetings not to dominate the participants in negotiations, but rather to have good relations with all States in the world and not interfere in their internal affairs.

Neutral status considerably helped Turkmenistan carry out its consolidating function for two years within the Economic Cooperation Organisation (ECO). One can say with certainty that, during the two years in which we chaired the ECO regional structure, in spite of certain subjective and objective complications, it became firmly established in the system of inter-State organizations of a non-political nature. Time has showed that the emphasis placed on transport, telecommunications, and pipeline projects as the basis for intraregional development was correct. It was necessary in the literal sense of the word to reconstitute the region, which, for long years, had been dismembered by artificial barriers, to revitalize the inter-State road transport network, open up the newly independent States, and provide them with an outlet to the world's sea routes. We were most gratified by the fact that the first noticeable impetus in this process to a large extent was the construction initiated by us and the Islamic Republic of Iran of the Tedzhen-Serakhs-Mashhad railway line, which has become the "golden link" in the Istanbul-Beijing trans-Asian mainline and provided the States of the region with maximum outlet to the Persian Gulf and the Arabian Sea.

Generally speaking, Turkmenistan's example clearly proves that the scale of values is greater in geopolitics than only within the geographic bounds of a country. I am profoundly convinced that the greater the number of States that, having rid themselves of the "small" country complex, send the community of nations positive impulses, the speedier the development of the peaceful and constructive process will be both on a regional as well as a global scale.

AGREEMENT ON THE GROUND BEGINS WITH ONE'S NEIGHBOUR

In developing the theme of peace in relation to the new peace-building situation in the area that has been set free from ideological dogmas and

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prejudices, must also take account of a trend which impinges on the new interpretation of the concepts of "brotherhood" and "good neighbourliness".

In that context, I should like to touch on the issue of cooperation between countries the brotherhood of which was bolstered by Communist ideology and whose good neighbourliness was ensured by assumptions of a merely moral nature. Experience has convinced us that the elimination of rationality from communication between peoples undermined the foundations of the ideology itself, for it turned out that peoples can be fed on myths just as much as they could during the period of the Communist experiment. It is well known that myths have a life of their own. So do stereotypes. It would, no doubt, have been not only naive but also foolhardy to assume that the USSR would instantaneously be replaced by a new civilized community driven by the well regulated springs of the market machinery. That kind of thing does not happen.

Our approach to the CIS should be not merely indulgent but, at the same time, human and pragmatic. Incidentally, such a combination of attitudes is something that has to be learnt in politics, and that is especially true with respect to the CIS. The CIS has carried out a great - and I am not afraid to use the word - mission. It prevented bloodshed when the last empire in the world fell. But our attitude towards the CIS is more than just one of gratitude. The Commonwealth is necessary, certainly not as a memorial to the Soviet empire and still less as the bearer of impotent assumptions of brotherhood and friendship, but as a fundamentally new mechanism for cooperation between States in the worldwide community of nations, dealings between which must and can comprise an entire range of general signs without overlooking differences.

Since the day on which the CIS began to operate, Turkmenistan has acted in accordance with the spirit and letter of its constitutive instruments, regarding the Commonwealth primarily as an effective framework mechanism.

At the same time, Turkmenistan is against attempts to bring about a hasty and unjustified integration and against any plans to create a rigid machinery with supranational functions. The manner of Turkmenistan's participation in the CIS depends, in addition to the above-mentioned factors, on its international legal obligations as a neutral State. We are therefore in favour of flexibility and democracy and for the right to choose. Each entity is free to decide for itself whether or not to join particular projects, plans or programmes, depending on its interests and possibilities. This idea was, in my view, clearly expressed by Russian President Boris Yeltsin, who stated at the most recent Summit of Heads of State of the Commonwealth: "Nobody should compel anyone." We in Turkmenistan are convinced that only the principle of free consent will ensure the survival of the Commonwealth as a mechanism which played an immense role during the period of the collapse of the unitary Soviet State and forestalled the highly detrimental consequences of that process by creating conditions for the smooth and harmonious transition of the CIS countries to their development as sovereign States.

With respect to the outlook for the CIS, we have no doubt that the Commonwealth will inevitably become a civilized alliance in the territory of the former Soviet Union. All that is essential is time and an awareness on the part

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of each State that the CIS can do no more than fulfil its intended purpose and serve exclusively as a coordinating and consultative organ. There is absolutely nothing to prevent two or more of the CIS countries from creating integrated structures or merging to form a single State. But it is our belief that such a process should have no overall adverse effect on the Commonwealth, which was certainly not conceived and created as a collectivizing organization.

For us today, the CIS, apart from its consultative functions, means primarily each individual State with which we have firm bilateral and mutually beneficial relations. It is precisely on that basis that I am convinced, irrespective of what anyone wishes, that a civilized type of relationship on many levels will come into existence, complementing and developing the worldwide trend towards integration. In that context we shall endeavour, with all our neighbours, and not only within the framework of the CIS, to build good, friendly relations.

This is clearly exemplified by the fresh start in the history of Turkmen-Iranian relations which took place almost seven years ago. Obviously, Turkmenistan and the Islamic Republic of Iran each has its own view of the world. But in the first months following Turkmenistan's accession to independence we were able to set aside our mutual suspicion, which had become second nature after so many years of the "Iron Curtain", and to establish trusting and genuinely neighbourly relations. Since then, at the highest level alone, between the Presidents of the two countries, some 60 meetings have taken place at which there has been frank dialogue on all the issues that are of concern to our peoples. We shed our mistrust, rid our contacts entirely of ideology and concentrated on seeking our common economic interest.

One practical outcome of this approach has been the implementation of projects for the construction of a railway between our two countries and for the laying of a pipeline for the delivery of gas from Turkmenistan to the Islamic Republic of Iran. Today, now that the trend in favour of the removal of restrictions in our partnership with our southern neighbour is becoming established, we are prepared to expedite our work to resolve the problem of transporting Turkmen gas through the Islamic Republic of Iran and Turkey to Europe, and also of oil from Kazakhstan and the Caspian to the ports of the Persian Gulf. It must be said that these projects are highly promising and, indeed, essential for a civilized regional partnership in which not only the participating countries have an interest. One may perhaps speak of the advent of a new age in the Asian region, an age which proclaims fundamentally different, multidimensional markers and an emancipation from archaic stereotypes. Turkmenistan is ready to act within that altered and more progressive frame of reference.

New thinking is also essential today in approaches to the problem of the final determination of the status of the Caspian under international law, which is of the greatest importance for regional and, more generally, for worldwide cooperation. The current uncertainty on this matter hinders the rational utilization by the littoral countries of the vast resources of the Caspian Sea. The legal regime of the Caspian has until now been regulated by treaties between the Soviet Union and the Islamic Republic of Iran under which the Sea was divided between the two countries. The change in the geopolitical situation has

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brought about a new relationship between interests in the Caspian region and has made it essential to devise new approaches to determining the status of the Caspian Sea. Most of the littoral countries now adhere to a sectoral variant of the division of the Caspian. Turkmenistan rejects that principle, just as it also rejected the condominium concept which formerly prevailed. In both cases, our main concern is that the interests of all littoral States should be fully taken into account in order that cooperation in the Caspian should be based on mutual respect, equality of rights and mutual interest. The Caspian must be a sea where agreement prevails and its resources must be the property of all the littoral States, each of which has a right to an equal share of its resources. For that reason, I consider that a new approach, satisfactory to all sides, to determining the status of the Caspian should be worked out not just at the level of experts and the foreign policy bodies of the five littoral States. Such a process also requires the convening of a special summit of the heads of the States bordering the Caspian. For our part we are ready for such a meeting, and propose that it be held before the end of this year in Ashgabat.

I should not want anyone to think that, in naming particular countries as Turkmenistan's partners, I am for one reason or another discounting the Russian Federation.

Not at all: cooperation with Russia is a separate and, I would say, an exemplary topic, for that country cannot be considered in isolation from all the existing aspects of world development. Russia has suffered more than any other country in the world from the historic destiny that has fallen to its lot. Its own fate, throughout the ages, has been to bring fire down on itself.

We may now regret the fact that the Russian Federation is not hastening to our marketplace. Turkish, Iranian, German, Israeli, British, French and Japanese companies, and representatives of a further 10 or so States, have today established their spheres of activity in our territory. Major changes conducive to active partnership have occurred in our relations with the United States of America.

But I would not wish to claim this as a sign of either equality or of difference. The situations differ too much to be brought together in a single approach. Yes, the Russian Federation is a great Power with vast potential both for its own development and for the development of those with whom, in one way or another, it comes into contact. Aside from purely economic interests, we are bound together by the closest ties of historical and cultural traditions.

However - and this is no secret for anyone - the extent of our economic, political and cultural partnership has recently been somewhat curtailed, although not at our initiative.

I do not wish to dwell in detail on that statement since the origins of the situation lie both in the inertia of the Soviet mind-set and in the corporate interests of particular Russian monopolists.

However, if we were now to adopt an entirely negative approach in our evaluation of the existing situation, that would be unrealistic of us. The central thing in politics is not whether a particular phenomenon is good or bad;

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what is important in politics is to take events as they are and to endeavour to bring about a rapprochement of interests, taking all relevant factors into account. What is required here is the humanity and pragmatism that I mentioned with reference to the subject of the CIS.

The main thing is that there is no disagreement on that score between us and the leadership of the Russian Federation, its President Boris Nikolaevich Yeltsin. On the contrary, there is a profound understanding of both the objective and the subjective difficulties, and an appreciation of the fact that it is a complex matter to overcome them within a fixed time scale. The true fact is that sooner or later we shall reach an understanding of the advantages and enduring value of close and equal collaboration and that we shall ultimately transcend the past and move forward to the future. That is how it always has been and always will be.

STEEL "ARTERIES" OF THE NEXT CENTURY

The inability to export gas by pipeline through the territory of the Russian Federation has undoubtedly caused some difficulties for the economy of Turkmenistan. However, the overall progress we have achieved in restructuring the economy and our reliance on diversification have enabled us to overcome a difficult situation, and these difficulties today are not predominant. Yes, gas exports to the north have stopped, but exports of oil and oil products, agricultural raw materials and textiles are constantly growing. Literally a few days ago, we put into operation a large complex for the production of compressed gas in eastern Turkmenistan.

At the same time, Turkmenistan is actively seeking alternative access routes to international markets for energy carriers. The gas pipeline from Turkmenistan to the Islamic Republic of Iran is already operating, and its capacity in the next few years will grow to eight billion cubic metres of "blue fuel" annually. As of now, there are at least six ongoing large-scale pipeline-construction projects for the export of oil and gas in several directions. All these projects have been evaluated by experts of international organizations and their implementation is quite feasible in the near future.

Our strategy for executing pipeline projects has been and continues to be based on its diversity. Proven and confirmed reserves of hydrocarbons are quite sufficient to justify planning and constructing right now several major pipelines that would supplement the existing one in the north.

The varied pipeline infrastructure will permit an increased volume and diversification of world supplies of energy resources and will make it possible to stabilize and guarantee their international distribution.

In this context we are putting forward an initiative for ensuring security and unobstructed transit of energy raw materials by major international pipelines. It has already been discussed in preliminary form with a number of national leaders and also with the United Nations Secretary-General. I have the impression that in the twenty-first century the problem of international guarantees and legal regulation of the functioning of such pipelines will be

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comparable to the problem of navigation through sea straits which the world community spent much effort in trying to resolve at the turn of the nineteenth century. At that time the question of legal regulation of the use of sea straits, which were the main routes for the flow of goods and cargoes, was regarded as vital for the very existence of States. Today, international pipelines are of comparable importance for mankind.

Sometimes, unfortunately, certain politicians attempt to represent the Turkmen model of a complex pipeline network as some kind of political trump card in regional politics. I should like once more to recall the principles of openness and lack of prejudice that Turkmenistan displays whenever the implementation of any project is being discussed.

For instance, the laying of a trans-Caspian pipeline would not mean that we were abandoning the construction of trans-Iranian routes, just as the emergence of alternative export routes to the south does not mean that we are giving up using the trans-Russian gas pipeline. Our fuel reserves are quite sufficient to ensure an uninterrupted flow in all directions. However, the biggest and quickest gains will of course accrue - this is not a political game but the laws of economics - to those of our partners who are first to participate in the execution of pipeline projects and who offer the best conditions for a mutually advantageous partnership.

HONESTY IS THE BEST POLICY

Turkmenistan, like the majority of countries in Central Asia, attained independence in an era of worldwide reforms, coupled with the start of a transition from a policy of confrontation to a philosophy of world unity. This has created for us additional advantages, but has also placed on us a special responsibility. I am not tired of repeating that the trend towards global development in the twenty-first century will depend to a large extent on our region.

I should like to emphasize in particular that the interest in Central Asia today is in no way fortuitous. The countries of this region, having gained the opportunity for direct participation in international relations, are offering the world an enormous geopolitical and geoeconomic potential, as well as additional possibilities for facing the global challenges of the twenty-first century. It must be noted that, in the course of the last two centuries, Central Asia was the subject of a bitter struggle among the big Powers over spheres of influence. It was a time of great intrigues, based on colonial ambitions and the principle of "might is right". A number of times during their long history the peaceful peoples of Central Asia had to yield temporarily to superior force, but they never reconciled themselves to anyone's diktat; they were, however, always ready for an equitable partnership and sincere, mutually advantageous cooperation.

We are determined to stand firmly on our own feet and to cooperate as equals with all those who are ready for a partnership with us. The international community should realize the immutable fact that the countries of Asia have ceased to be pawns on someone else's chessboard. They are pursuing

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and will continue in the future to pursue their own policy in international affairs. And this is not a challenge to the developed countries; it is an appeal to them to weigh contemporary realities and to realize that they will find it especially advantageous to view the countries of Asia, including Central Asia, not as potential "spheres of influence" but as reliable and worthy partners. No one is preventing the developed countries - that would be impossible and, moreover, disadvantageous - from participating in the harnessing of our natural wealth and from the enjoyment of our geographical advantages; on the contrary, we invite them all to join forces in such an endeavour, demanding in return only one thing: mutual respect and a fair and equitable partnership.

On the basis of the foregoing, affirming such principles and convictions, Turkmenistan is preparing to enter the new millennium. I am sure that, if these principles are achieved, it will be more propitious both for our country and for the whole world.
